NALC Bulletin
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# New contract's pay increases and adjustments update

NALC President Fredric Rolando and USPS Postmaster General Megan Brennan (seated) ceremonially signed the ratified 2016-2019 National Agreement at USPS headquarters on Sept. 6. Joining them (from l): NALC Executive Vice President Brian Renfroe, USPS Vice President of Labor Relations Doug Tulino and USPS Chief Human Resources Officer Jeffrey Williamson.

On Sept. 6, NALC President Fredric Rolando and U.S. Postal Service Postmaster General Megan Brennan signed the ratified 2016-2019 National Agreement between NALC and USPS. The signing was ceremonial, as the provisions of the contract had already gone into effect with the ratification date of Aug. 7, when the results of the vote on the proposed agreement were announced.

However, because of the many calculations to determine the full extent of the increase in pay and back pay for each letter carrier covered by the new agreement, as well as the many improvements for city carrier assistants (CCAs), some of the provisions of the new agreement could not be made effective immediately. Below is a look at which pay rate and CCA provisions have become effective since the announcement of the ratification.

## New pay rates

*Career employees:*

- Effective Aug. 19 (Sept. 8 paycheck), career employees' wage rates reflected the addition of the September 2016 cost-of-living adjustment (COLA); the Nov. 26, 2016, 1.2 percent general wage increase; and the March 2017 COLA.
- Effective Sept. 2 (Sept. 22 paycheck), career employees' wage rates reflected the addition of the September 2017 COLA.

*City carrier assistants:*

- Effective Sept. 16 (Oct. 6 paycheck), wage rates reflected the Nov. 26, 2016, CCA step increases in table three. In the new pay scale, CCAs receive a 50 cents per hour increase after 12 weeks of service and an additional 50 cents per hour increase after 52 weeks of service.
- Effective Sept. 16 (Oct. 6 paycheck), wage rates reflected the Nov. 26, 2016, 2.2 percent wage increase for CCAs.

## MOU Re: Conversion of CCA with Creditable TE Service

- On Aug. 19 and going forward, any CCA who was employed as a transitional employee (TE) after Sept. 29, 2007, and is converted to a career city carrier position will be converted into the lowest Table Two step that is higher than the employee's current CCA pay rate.
- Also on Aug. 19, any career city carrier in Step A of Table Two with prior credible service as a TE after Sept. 29, 2007, will advance to Step B of Table Two.

## MOU Re: CCA Conversions to Career Status

- On Sept. 30, CCAs with 30 months of relative standing prior to Aug. 7, 2017, in 200-workyear offices were scheduled to be converted to full-time regular career status.
- Also on Sept. 30, CCAs with 30 months of relative standing prior to Aug. 7, 2017, in 100- and 125-workyear offices were scheduled to be converted to part-time flexible career status.

## CCA health benefits

- Between Sept. 4 and Oct. 19, 2017, there is a special enrollment period for CCAs to take advantage of new health benefits detailed in the new agreement. The Postal Service will make a bi-weekly contribution equal to 65 percent of the total premium for any CCA employee who wishes to participate in the USPS Non-career Health Care Plan (USPS Plan) for either "self plus one" or family coverage during a CCA's initial year of employment.
- After a CCA's first year of employment, the Postal Service will make a bi-weekly contribution equal to 75 percent of the total premium for either "self plus one" or family coverage. CCAs who enroll during this special enrollment period will have their new benefits take effect Oct. 28, 2017.

## CCA holidays

- Effective with the new agreement, CCAs are entitled to receive holiday pay for six holidays per year: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

## Uniforms

- Letter carriers with anniversary dates after May 21, 2017, will receive a 5 percent increase in eligible employees' uniform allowances. This will likely be implemented in October with applicable retroactive adjustments.

## Back pay

- Applicable back pay and other adjustments relative to the effective dates of the various increases/benefits will be processed and paid as soon as practicable. Preliminary information from the Postal Service indicates that career back pay/adjustments will likely be included in a regular paycheck sometime in December, while CCA back pay/adjustments will likely be included in a regular paycheck sometime in late January/early February. The delay is anticipated due to the necessary programming involved in the new CCA wage structure.

# Postal reform bills update

For now, the Postal Reform Act (H.R. 756) and the Postal Service Financial Improvement Act (H.R. 760) remain in legislative limbo pending additional action in the House of Representatives.

The bipartisan-backed bills were introduced in January, then marked-up and voted out of the Oversight Committee in March. H.R. 760 was a clean bill that simply awaits action on the House floor. Meanwhile, before H.R. 756 can receive full House consideration, portions of it must be reviewed by the House Energy and Commerce Committee (which needs to weigh in on the measure's Medicare Part D provisions) and by the House Ways and Means Committee (which has to consider the bill's Medicare Parts A and B language).

Those two committees must either waive jurisdiction or schedule hearings or mark-up sessions to discuss the relevant provisions. NALC hopes that the committee process will address flaws in the bill that have prevented us from fully endorsing it. But with issues such as health care, tax reform and the budget taking up most of these committees' attention, postal reform occupies a low place on their priority lists.

Meanwhile, the Postal Regulatory Commission (PRC), USPS' independent regulatory body, is finishing up its mandatory review of the current postage rate-setting system. The PRC regularly reviews postal rates, but in this special 10-year review of the way postage rates are set—called for under the terms of the 2006 Postal Reorganization and Enhancement Act—it's conceivable that the commission could change the system the Postal Service uses to adjust the price of postage, moving away from an inflexible cap based on the Consumer Price Index. This would allow USPS to pay for the costly pre-funding mandate as well as to help offset the revenue losses stemming from the April 2016 expiration of the exigent rate increase.

"The decisions made by Congress and the PRC this fall will go a long way toward defining the future of the Postal Service," President Rolando said, "which is why NALC and its members must be fully informed about what goes on in Washington."

# Harmful cuts still possible following budget, debt ceiling extension

Earlier this month, just days after returning to Washington, DC, following their summer recess, members of Congress immediately got to work on legislation to deal with three urgent issues.

On Sept. 8, President Donald Trump signed the package, H.R. 601, after it passed the House of Representatives by a vote of 316 to 90 and the Senate by 80 to 17. The bill makes available more than $15 billion for Hurricane Harvey disaster aid. (Congress is still weighing its response to Hurricanes Irma, José and Maria.)

H.R. 601 also raised the debt ceiling—the legal cap on how much money the federal government can borrow to fund its budget deficits and meet debt obligations—as needed through Dec. 8. Had this deal not been achieved, it could have led to a federal government shutdown—though in such situations, the self-sustaining Postal Service stays open for business and letter carriers remain on the job.

Finally, the deal also keeps the government funded by extending Fiscal Year 2017 spending levels through Dec. 8. This three-month deal, however, does not mean that letter carriers have no cause for concern.

"All letter carriers must remain on high alert," NALC President Fredric Rolando said, "because Congress now has more time to think about and approve spending cuts that could seriously harm letter carriers' pay, benefits and working conditions."

Earlier this year, House leaders had hoped to combine the 12 separate spending bills that make up the federal budget into one "omnibus" budget measure. But by the end of July, the best the House could manage was passage of a four-bill, security-related "minibus," leaving eight spending measures that still need to be worked out by Dec. 8.

Some of the most harmful budget provisions still under consideration include:

- Raising federal employees' pension contributions by up to 6.45 percent of pay over the next six years, costing active letter carriers up to $3,600 per year.
- Eliminating cost-of-living adjustments (COLAs) for current and future retirees under the Federal Employees Retirement System (FERS).
- Reducing COLAs for Civil Service Retirement System (CSRS) annuitants by 0.5 percent each year.
- Reducing CSRS and FERS pension benefits for new retirees by basing annuities on employees' highest average pay over five years (high-5) instead of over three years (high-3).
- Eliminating the annuity supplement that covers the gap for employees who retire under FERS before they qualify for Social Security benefits at age 62.
- Slashing the rate of interest paid on assets invested in the Thrift Savings Plan Government Securities Fund (G Fund), costing active and retired letter carriers a total of $32 billion over 10 years.
- Making $46 billion in revenue changes and vaguely defined cuts to the Postal Service, most likely through reducing the frequency of delivery (eliminating Saturday delivery) and scaling back door delivery.
- Making the financially independent USPS part of the federal budget—moving it from an "off-budget" status to an "on-budget" status—and potentially opening the agency to across-the-board spending cuts (sequestration) and service disruptions should the federal government shut down during budget conflicts.

"These budget threats remain very real," Rolando said. "Slashing the incomes of active and retired letter carriers and gutting the vital services and networks of the Postal Service is completely unacceptable."

The president urged all NALC members to visit the "Budget Battle 2017" page at nalc.org to learn more.

# Carriers encouraged to give through CFC

As federal employees, letter carriers can make charitable donations through the world's largest annual workplace giving program, the Combined Federal Campaign (CFC), through deductions from our paychecks.

"Letter carriers are known for taking care of our communities," NALC President Fredric Rolando said. "The CFC is a convenient way for letter carriers to support their favorite charities."

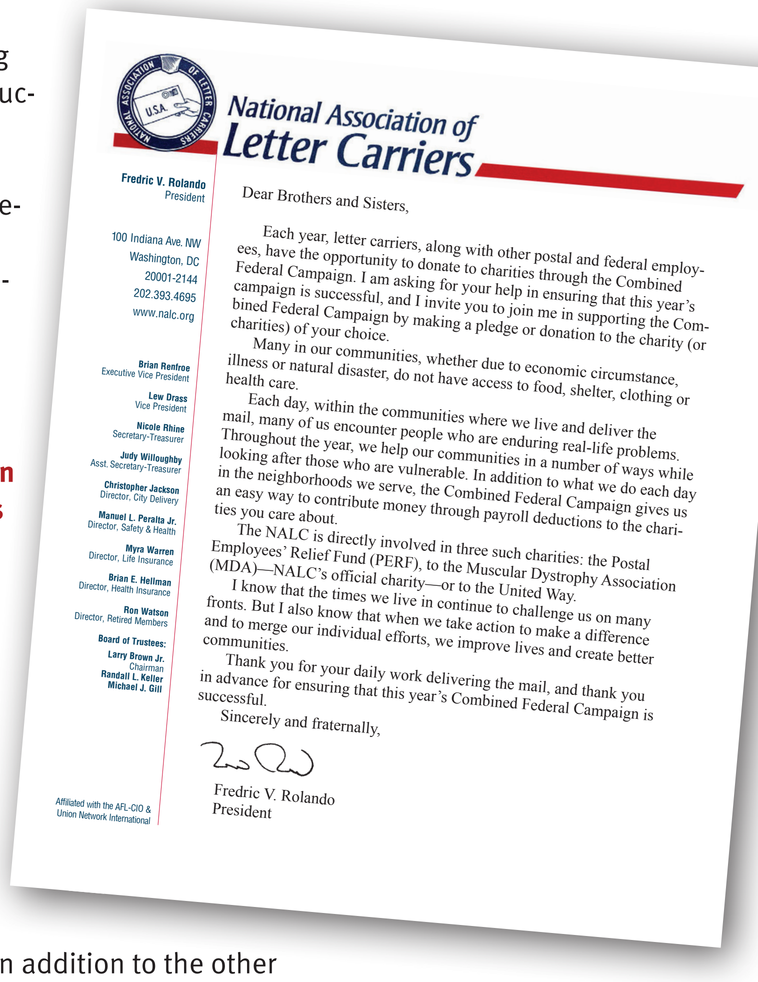
Pledges made by donors during the campaign season support eligible non-profit organizations chosen by the donor.

This year, CFC is making it easier for all federal employees to donate online and giving federal retirees an easy option for donating through deductions from their annuities.

**To facilitate these changes, the campaign dates have been moved to later than past years. Federal and postal employees may designate the organizations they want to support from Oct. 2 through Jan. 12.**

Carriers can choose the charity or group of charities they want to support from a list of more than 2,000 eligible charities, and an amount they choose will be deducted from their paychecks each pay period and automatically sent to each charity.

"The combined effort of letter carriers and other federal employees makes a huge difference to the charities that support our communities each year," Rolando said.



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Dear Brothers and Sisters,

Each year, letter carriers, along with other postal and federal employees, have the opportunity to donate to charities through the Combined Federal Campaign. I am asking for your help in ensuring that this year's campaign is successful, and I invite you to join me in supporting the Combined Federal Campaign by making a pledge or donation to the charity (or charities) of your choice.

Many in our communities, whether due to economic circumstance, illness or natural disaster, do not have access to food, shelter, clothing or health care.

Each day, within the communities where we live and deliver the mail, many of us encounter people who are enduring real-life problems. Throughout the year, we help our communities in a number of ways while looking after those who are vulnerable. In addition to what we do each day in the neighborhoods we serve, the Combined Federal Campaign gives us an easy way to contribute money through payroll deductions to the charities you care about.

The NALC is directly involved in three such charities: the Postal Employees' Relief Fund (PERF), to the Muscular Dystrophy Association (MDA)—NALC's official charity—or to the United Way.

I know that the times we live in continue to challenge us on many fronts. But I also know that when we take action to make a difference and to merge our individual efforts, we improve lives and create better communities.

Thank you for your daily work delivering the mail, and thank you in advance for ensuring that this year's Combined Federal Campaign is successful.

Sincerely and fraternally,

Fredric V. Rolando
President

All letter carriers can participate in the CFC. In a letter, Rolando asked NALC members to contribute through the CFC in addition to the other ways they support the community.

"Each day, within the communities where we live and deliver the mail, many of us encounter people who are enduring real-life problems," Rolando wrote. "Throughout the year, we help our communities in a number of ways while looking after those who are vulnerable. In addition to what we do each day in the neighborhoods we serve, the Combined Federal Campaign gives us an easy way to contribute money through payroll deductions to the charities you care about."

NALC is directly involved in three such charities:

- **The Postal Employees' Relief Fund (PERF)** provides financial support to postal employees whose homes are damaged or destroyed by natural disasters, such as Hurricanes Harvey, Irma and Maria. The charity is run by the four postal employee unions and three management organizations, whose members support PERF through voluntary donations. PERF grants money to homeowners and renters alike to help with deductibles and out-of-pocket expenses that insurance claims don't cover, and to assist with replacement of lost property and temporary housing. Information and applications for PERF assistance can be found at postalrelief.com.
- **The Muscular Dystrophy Association (MDA)** is NALC's only official charity. It is the world's leading non-profit health organization sponsoring research into the causes of, and effective treatments for, neuromuscular diseases. MDA research grants support about 150 research projects worldwide, as well as camps and activities for children who have one of these diseases. For more information, go to mdausa.org.
- **United Way Worldwide** is the leadership and support organization for the network of nearly 1,800 community-based United Ways in 40 countries and territories. The United Way's focus is creating community-based and community-led solutions that strengthen the cornerstones for a good quality of life: education, financial stability and health. For more information, go to unitedway.org.

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